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DEPARTMENT OF STATE  
Washington, D.C. 20520

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March 19, 1969

NSC UNDER SECRETARIES COMMITTEE

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TO : The Deputy Secretary of Defense  
The Assistant to the President for  
National Security Affairs  
The Director of Central Intelligence  
The Chairman of the Joint Chiefs of Staff  
The Under Secretary of Interior

SUBJECT: Future of the Trust Territories of the  
Pacific Islands

There are enclosed two papers on the future of  
the Trust Territories of the Pacific Islands, pre-  
pared by the Department of State.

The two papers have not been cleared with other  
agencies. They are intended as an aid to discussion  
at tomorrow's meeting.

*Claus W. Ruser*

Claus W. Ruser  
Acting Staff Director

Enclosures:

1. Future of the Trust Territory  
Background Paper
2. Scope Paper

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FUTURE OF THE TRUST TERRITORY  
OF THE PACIFIC ISLANDS

Background Paper Prepared  
By Department of State

The Trust Territory of the Pacific Islands (TTPI) is administered by the United States under a Trusteeship Agreement with the U.N. Security Council, approved by the President on July 18, 1947, pursuant to authority granted by a joint resolution of the Congress. The terms of this unique "strategic trust" give the United States full authority over the Territory, including the right to establish military facilities.

While such facilities have so far been largely limited to those required for various military testing programs, the strategic importance of the area has long been recognized, and, with the changing scene in the Pacific, including our possible withdrawal from Okinawa, the Joint Chiefs of Staff in 1965 determined that they considered it essential for strategic reasons that the Territory be associated with the United States on a permanent basis. Subsequent base studies have reinforced this interest.

Nature of Administration in the Past

During the first years of our administration of the TTPI we were satisfied with a continuing trusteeship arrangement, and our administration was consciously geared so as to change the lives of the people as little as possible. In 1961, however, the Kennedy Administration decided that, in view of the marked change in the outlook of the dependent peoples and the attitude of the rest of the world toward colonialism, we could no longer hope to maintain the status quo in the Territory, and would have to make a determined effort to move the Territory toward self-determination as prescribed in the Trusteeship Agreement. Since some form of permanent association with the United States seemed to be in the interests of both parties, the President in NSAM 145 of April 18, 1962 directed the interested Departments

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to undertake an urgent program, first to educate the people of the Territory so that they would appreciate the options open to them, but also to be followed closely by improvements in public services and by the economic development of the Territory so that they might be ready for and appreciate the benefits of such an association.

As a result of this decision, there has been a marked change in our administration, but progress has been limited. In the area of political education, the voice of the Micronesians in their own affairs has been increased by the creation of the Congress of Micronesia, as well as legislatures in each of the six districts, and by giving Micronesians a greater role within the Territorial administrative structure. This program helped stimulate Micronesian interest in the future of their Territory leading to a request by the Congress of Micronesia in 1966 that the President establish a U.S. status commission and a subsequent decision in 1967 to create its own Status Commission to study the alternatives open to the Territory.

But progress in development of self-government has been uneven and in many cases marked by frustration. The Congress of Micronesia, particularly without budgetary control, has limited effective power and the district legislatures even less. Micronesians have still not reached the top levels of the administration, while those at the middle levels experience problems in enforcing on their own people policies in which they have had little if any voice.

As for the administration and efforts toward economic and social development, the U.S. Congress has raised the authorization levels for the TTPI budget from \$7.5 million in 1961 to \$35 million in FY 69 and to \$50 million in FY 70 and 71. At the same time actual appropriations have risen sharply, passing the \$30 million mark this fiscal year. Although foreign investment is tightly controlled, the islands have been opened to outsiders, and with the advent of jet communications there has been an effort to encourage tourism, particularly among Japanese and other Asians. Efforts have also been made to recruit higher-caliber personnel for jobs within the administration; and in 1966 Peace Corps volunteers were first sent to the Territory

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and now number over 600.

Nevertheless, political and economic evolution in the TTPI has clearly fallen short of the objective established in NSAM 145. Despite large percentage increases, appropriations are not nearly adequate, particularly considering the tremendous problems involved in bringing the TTPI into the 20th century and our earlier neglect. There are still far too few competent and conscientious administrators, and, while the Peace Corps does reach down to the people, it cannot do the job alone.

#### Arrangements for Self-Determination

In Washington we have also faced problems in attempting to develop our own position on how to bring about self-determination in the TTPI so as to insure that the choice will be for continued association with the United States. During the previous Administration, after long and high-level discussions, the Departments of State, Interior and Defense finally agreed (1) that under the terms of the Trusteeship Agreement and U.N. practice there would have to be an exercise of self-determination in some form of plebiscite offering at a minimum a choice between self-government and independence, and (2) that while further education on the various options was needed, time was of the essence if we were to obtain the choice we desired.

It was therefore decided to establish a Status Commission to examine the various alternative choices which the Micronesians might be offered regarding their future and to make concrete recommendations before a plebiscite, hopefully in 1972. The President submitted a bill to the Congress in 1967 for the creation of such a Commission. The proposed Commission would have included Congressional participation as a means of engaging the Congress throughout the deliberations in hopes of ensuring Congressional approval of the arrangements to be offered in a plebiscite.

This legislation passed the Senate in 1968; but the House never acted, largely because of opposition from the House Interior Committee. Chairman Wayne Aspinall and some members of his Committee appear reluctant in present circumstances to extend to the TTPI the degree of self-government necessary to terminate the Trusteeship Agreement. The Committee seems to

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believe that a new status for the Territory could best be worked out by informal consultation between Committee members and the Executive Branch, a procedure which would be likely to focus on arrangements inconsistent with the Trusteeship Agreement and of doubtful political appeal to voters in the TTPI.

### Present Situation

We have thus reached a situation where we have taken definite steps toward self-determination for the Micronesians and have awakened in their leaders an ever-growing interest in their future. Yet, due to failure to carry through effectively on any of the fronts involved, we find ourselves far short of our desired goal, and in fact, with a situation which in recent months has been noticeably deteriorating as the Micronesians move toward increasingly adventuresome ideas.

This can be seen in a number of ways. The Congress of Micronesia's Status Commission, presumably discouraged both by our failure to take meaningful steps in examining these questions and by the continuing inadequacies of our administration, appears to have shown a discomfoting interest in some form of independence, or, little better, an extremely loose form of association with the United States which would be unacceptable to Congress. As a sign of their thinking, the members of the Status Commission have chosen as an advisor an Australian professor, who has previously served as a consultant in the evolution of Western Samoa and Nauru to independence and of the Cook Islands to the loosest form of association. The Commission is currently undertaking a trip through the South Pacific investigating these independent or nearly independent states.

The Congress of Micronesia and the district legislatures have in recent months adopted a number of extraordinary resolutions criticizing our administration -- many calling into question continuing political ties with the United States. In the particular area of our future military interests, the Congress, faced with repeated vetoes by the High Commissioner of bills demanding a voice in matters of eminent domain, has even passed a resolution demanding renegotiation of the Trusteeship Agreement to give the Congress an absolute veto over any land

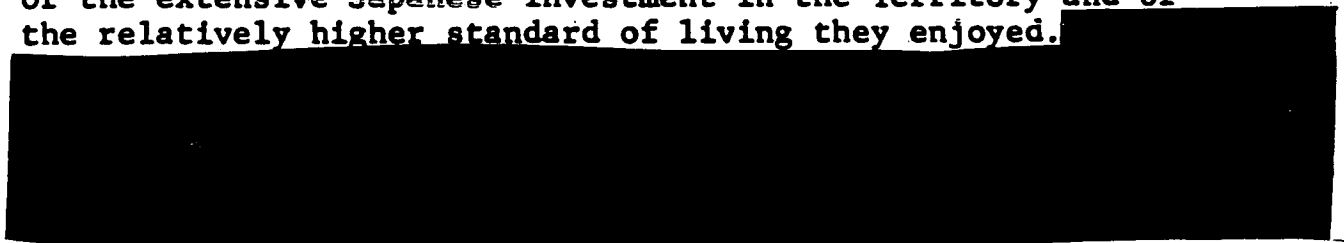
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acquisitions for military purposes.

While many of these resolutions are intemperate, exaggerated and unreasonable, they do reflect the growing frustration within the Territory, both with U.S. shortcomings and the limited role now given to the Micronesians. Furthermore they show the increasing awareness which Micronesian leaders have of the leverage available to them -- i.e., their status as a U.N. Trust Territory and as an area of known strategic interest to the United States.

In the area of administration, Peace Corps volunteers have helped to extend the impact of the U.S. administration to a far broader group of Micronesians but have also introduced a new element of unrest in the Territory. The problems which the volunteers see all around them, and which often overwhelm their best efforts, cause them to be critical of our administration and in many cases, whether deliberately or otherwise, to convey this criticism and dissatisfaction to the Micronesians around them.

There have also been troublesome aspects to our efforts toward economic development. Thus the attempts to increase tourism in the islands have naturally involved the Japanese. These efforts have had some success, but this of course has led to an increase in the Japanese presence which tends to recall the days before World War II when Japan administered the islands. Micronesians in some areas tend to repress memories of the political discomforts of Japanese rule while indulging memories of the extensive Japanese investment in the Territory and of the relatively higher standard of living they enjoyed.



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FUTURE OF THE TRUST TERRITORY  
OF THE PACIFIC ISLANDS

Scope Paper  
Prepared by Department of State

Previous Program and Changing Circumstances

Motivated primarily by a JCS conclusion that we need permanent access to the area for defense purposes, the previous Administration adopted a two-part program to lead the Territory from its present trusteeship status to one of permanent association with the United States in a manner consistent with the Trusteeship Agreement. The program involved (a) a relatively early exercise of self-determination for the inhabitants of the Territory, including an appealing offer of self-government under US sovereignty, and (b) a marked improvement in the US administration of the Territory to help convince the people that it is in their interest to choose permanent association with the United States.



Urgency

The House Interior Committee effectively blocked the previous Administration's program. Some members of the Committee appear reluctant in present circumstances to extend to the TTPI the degree of self-government necessary to terminate the Trusteeship Agreement. We thus now find ourselves standing still at the very moment when action is most urgently required. This urgency is compounded by

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our problems in Okinawa and the uncertainty of being able to maintain free use of our facilities there. Similar considerations will arise in the event of other possible shifts in deployment in the Far East.

There is also an immediate problem. The Congress of Micronesia's own Future Political Status Commission is due to complete its work and issue its final report in early July. In January it requested through the High Commissioner that the US present its thoughts on and plans for the future of the Territory. In view of the lack of a position which could be conveyed to them at that time, the Commission members granted us an extension and agreed to hear the US position in April or early May before writing their report. If we are unable to make a contribution at that time, they will proceed without our guidance.

In addition, the UN Trusteeship Council will meet at the end of May to consider the Trust Territory. It already has on its agenda a number of disturbing petitions and communications expressing, in some cases quite vehemently, the political discontent in the Territory. In the absence of an authoritative statement of US intent prior to that meeting, we will face a most unhelpful international airing of our difficulties.

#### Need for Re-examination

In light of these events we clearly need to review, on a most urgent basis, all aspects of the TTPI problem, starting with the basic premises from which we have been working.

One basic premise of our policy toward the TTPI has been the JCS decision in 1965, reinforced by subsequent base studies, that such an association was essential to our strategic interests. The nature of this military requirement must be up-dated and redefined. Even if our own needs should disappear, the negative side of the equation -- the effect on our strategic position if the TTPI should come under the control of an unfriendly power -- must also be considered.

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This strategic premise must be examined in the light of the new uncertainty as to whether we can continue to expect a friendly if not complacent political atmosphere in the Territory. Even if the Micronesians can be convinced that their interests clearly lie with us, we can no longer rule out the development of attitudes ranging from reasonable and objective questioning of our intentions to hostility. The exact nature of their attitude will be governed in part by the nature of our overall policy toward the Territory.

### Implementation of a Program

Assuming that our review essentially reaffirms the objectives of past policy, we must still decide upon a course of action which would bring about some form of association with the United States and end the Trusteeship Agreement. Such a procedure must spell out in detail the terms of association with the United States -- a process which presents a number of complications. The terms must, for example, have real appeal to the voters in Micronesia who have to approve them. At the same time the attitudes and jealousies of our other territories must be considered; constitutional problems must be met and so on.

The procedure must also meet our legal obligations under the Trusteeship Agreement (an agreement which has the effect of a formal treaty between the United States and the UN Security Council, approved by the Congress and signed by the President). But in meeting these obligations, not only must the formal terms set forth in the Agreement be satisfied, but UN precedent and political realities must also be taken into account.

Of critical importance is the need for Congressional approval. Experience indicates that this will be most difficult, with some of the difficulty stemming from problems largely unrelated to the substantive issues involved. In any case, Congressional approval of the status to be offered in an act of self-determination is an absolute necessity.

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Proposed Terms of Reference for TTPI Review  
by the Under Secretaries Committee

The Under Secretaries Committee is assigned the task of examining the problems relating to the future disposition of the Trust Territory of the Pacific Islands. In reviewing NSAM 145 of April 18, 1962 this study should:

- a. re-examine our strategic and political interests in the area;
- b. devise a program consistent with our international obligations which will best meet those interests;
- c. report to the National Security Council.

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